

FISCAL IMPACT STATEMENT ON BILL NO. **H3742**

(Doc. No. 2425htc05.doc)

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TO:	The Honorable Robert Harrell, Chairperson, House Ways and Means Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Allan Kincaid		
DATE:	April 27, 2005	SBD:	2005397

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AUTHOR:	Representative Harrell	PRIMARY CODE CITE:	11-35-1524
SUBJECT:	Procurement Code - Resident Vendors		

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:  
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:  
See Below

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**BILL SUMMARY:**

The proposed Bill amends Section 11-35-1524, as amended, of the Code of Laws of South Carolina, 1976, relating to the resident vendor preference for purposes of the South Carolina consolidated procurement code, so as to replace this preference with a best-value analysis of bids for the purpose of promoting products made, manufactured, and grown in South Carolina and for the purpose of promoting services provided by workers residing in this state and end-products available from resident vendors.

**EXPLANATION OF IMPACT:**

State Budget and Control Board

The Board of Economic Advisors indicates an economic model can be developed by existing staff at no cost to the General Fund of the State. However, the actual cost of developing the software to utilize the economic model is unknown at this time. Further, the Material Management Office indicates enactment would significantly increase the amount of time and cost associated with conducting public procurements. The actual cost is currently indeterminable.

**LOCAL GOVERNMENT IMPACT:**

None.

**SPECIAL NOTES:**

For the past five years the current resident vendor preference and end-product preference cost the state, on average, an additional \$217,199 annually for products purchased through the Materials Management Office of the State Budget and Control Board.

Approved by:



Don Addy  
Assistant Director, Office of State Budget